



December 7, 2023

Scrip Code – 534597
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

RTNINDIA
National Stock Exchange of India Limited
“Exchange Plaza”, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

Sub: RattanIndia Enterprises featured in Fortune 500 December 2023 Edition

Dear Sir/Madam,

We wish to inform you that the Company has been featured in the prestigious December 2023 edition of Fortune 500, which is a significant accomplishment for the Company.

Please find attached the article as printed and link for the same is appended below:

[Fortune India: Business News, Strategy, Finance and Corporate Insight](#)

Extract from the article featured in Fortune 500 about the Company is reproduced below:

“RattanIndia Enterprises (REL), which primarily operates in renewable energy and electric mobility sectors, has a diverse portfolio – Cocoblu Retail which operates as an online seller, helping brands scale up and sell on e-commerce platforms; Revolt Motors, a next-gen mobility company, which manufactures EV motorcycles in India; fintech arm WeFin, which provides instant hassle-free financial products to customers across the country, and NeoSky India, which has a 360° drone-as-a-product and drone-as-a-services portfolio. Throttle Aerospace Systems, one of India’s leading drone companies, is a subsidiary of NeoSky India. REL reported revenues of ₹1,618 crore in Q2FY24, and profit after tax of ₹141 crore. For the last fiscal (FY23), the company’s total income rose by a whopping 717% to ₹5,160 crore.

Business chairperson Anjali Rattan Nashier attributes technology as the key differentiator between traditional companies and new-age ones. “Imagine you are sitting on data wherein you know how the driver is using the bike, what speed he is driving at. Is he servicing the bike or not? We can even predict what sort of insurance he would require,” says Nashier. For instance, Big Data and advanced Machine Learning algorithms keep Cocoblu on top of the complexity that comes with stocking two million SKUs. Fintech arm WeFin has tied up with nearly 35 banks and NBFCs to offer financing plans and hassle-free personal loans, two-wheeler loans and credit cards.

RattanIndia Enterprises Limited

(formerly RattanIndia Infrastructure Limited)

CIN: L74110DL2010PLC210263

Registered Office: 5th Floor, Tower-B, Worldmark 1, Aerocity, New Delhi -110037

Website: www.rattanindia.com, E-mail: rel@rattanindia.com, Phone: 011 46611666



We have the first-mover advantage. Environmental awareness is growing. People have started realising why sustainability is so important. Also, when they see they are able to save money, they tend to stick, says Nashier.”

This is for your information.

Thanking you,

Yours faithfully,

For **RattanIndia Enterprises Limited**

Rajesh Arora
Company Secretary

Encl.: a/a

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Shares Deluge
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New Appetite For
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INDIA'S LARGEST COMPANIES



Rise Of The
₹1 Lakh Crore Club

The Big Get Bigger

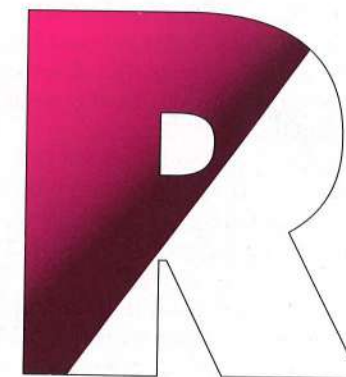
Corporate India's
'Giving' Conundrum



New-age Firms In Big League

A host of companies are creating ripples across industries, giving established firms tough competition, as consumers and investors warm up to them alike.

BY URVASHI MISHRA



RIDING ON THE back of innovation and adaptability, a cohort of enterprises has emerged, redefining industries and re-writing the rules of business. From Paytm's digital transactions to BigBasket's revolution in online grocery, to Nykaa's beauty products, new-age companies across industries are making their way into sectors, hitherto dominated by the big boys.

Yet, amid their meteoric rise and disruptive influence, the question persists: Are these entities here to cement their places, or they are just passing trends?

New-age companies have relied on aggressive expansion, heavy investments in technology and innovative ideas to acquire customers. Reducing cash burn, narrowing losses,

THE PECKING ORDER

Fortune 500 India Rank 2023	Company	Total Income (FY23, ₹ crore)	YoY change (%)
220	Supermarket Grocery Supplies (BigBasket)	9,579	11
257	One97 Communications (Paytm)	8,400	60
278	Zomato	7,804	55
376	FSNE-E-Commerce Ventures (Nykaa)	5,316	28
388	RattanIndia Enterprises	5,160	717

PHOTOGRAPH BY MARENDRA BISHT (HARI MENON); SANJAY RAWAT (DEEPIKAR GOYAL, FALGUNI NAYAR AND VIJAY SHEKHAR SHARMA); ANIL CHAWLA/HELLO INDIA (ANJALI RATTAN NASHIER)



CLOCKWISE FROM TOP LEFT: Vijay Shekhar Sharma, founder & CEO, Paytm; Deepinder Goyal, CEO, Zomato; Hari Menon, co-founder, BigBasket; Anjali Rattan Nashier, business chairperson, RattanIndia Enterprises and Falguni Nayar, founder & CEO, Nykaa



and finding a sustainable path to profitability have been their focus areas of late. For instance, led by increase in GMV (gross merchandise value), merchant subscription revenues, and growth of loans distributed through its platform, Paytm parent One 97 Communications reported a total income of ₹8,400 crore in FY23, a 60% growth year-on-year.

As a pioneer in mobile payments, QR code, and Soundbox, Paytm has been at the forefront of the digital revolution, and continues to be the market leader in in-store payments. "With the country still in nascent stages of digital payments, we believe we have extensive growth potential ahead of us with untapped opportunities in payments and financial services," says the company spokesperson.

"They have cracked the model in financial services," adds Preeyam Tolia, equity research analyst at Axis Securities.

As opposed to their legacy peers, new-age companies leverage tech to prioritise user experience and convenience. They adapt their offerings based on user feedback, creating personalised experiences that resonate with their target audience. Paytm, for instance, is planning to offer small mobile credits. "Our mission is to enable Indians to reap the benefits of economic growth by enabling them with mobile payments and extending financial services such as loans, insurance, etc. We are building an AI system that will help financial institutions capture possible risks and frauds, while protecting them from new kinds of risks due to advancements in AI," says the spokesperson.

Another pioneer in its segment, Zomato's journey to profitability is marked by strategic shifts, including its quick-commerce business Blinkit. Considering food delivery has long been called a cash guzzler, Zomato's first-ever profitable quarter (Q1FY24) brought a whole lot of cheer. Blinkit contributed ₹803 crore to the com-

pany's operating revenue in FY23. "Its contribution margin (as % of gross order value) in the business has improved from -7.3% in Q2FY23 last year (when we acquired the business) to 1.3% in Q2FY24," the company says in its letter to shareholders.

Gross order value across Zomato's B2C businesses (food delivery, quick commerce and going out) grew 13% quarter-on-quarter and 47% year-on-year in Q2FY24. Order value from food delivery increased 9% QoQ and 20% YoY. Quick commerce also bounced back with a 29% QoQ growth.

"The growth momentum we witnessed in Q1FY24 continued in Q2, driven by healthy gains across businesses," says Zomato founder Deepinder Goyal in the letter to shareholders.



According to analysts, Zomato is doing reasonably well, especially in the food segment. "Profitability is increasing consistently because of higher-frequency net growth. Competitive intensity is also very low in the food segment since it's mainly a duopoly now between Zomato and Swiggy," says Karan Taurani, senior vice president and research analyst, Elara Capital. Advertising revenue is a big lever for profitability for most e-commerce companies, including Zomato, he adds.

In beauty and wellness, despite growing competition from Reliance Retail's Tira, Nykaa has remained a favourite among industry analysts. The company has a strong online presence in the beauty and personal care (BPC) segment and boasts of a variety of premium customers. In fact, its average order value is three times the industry average.

"They have a market leadership position which will not be impacted despite competition. In terms of profitability, they are making an EBITDA margin of 11-12%. They are also able to generate ad revenue, which is driving profit," says Taurani. Nykaa's net sales rose 24% YoY to ₹1,498 crore in Q2FY24, while GMV was up 25% to ₹2,943 crore.

The company is betting on three levers to drive growth. First, the online segment of the BPC market, which is expected to grow the fastest over the next 5-10 years. Second, India's per capita spend, projected to grow to \$50 over the next eight years, from \$15 currently. And third, the shift from personal care to beauty. The company expects to see growth in categories such as makeup, skincare, and fragrances.

Taurani believes the fashion segment is a concern for Nykaa. "They still haven't cracked the code for the fashion business which has concerns since it's led more by discounting and the marketplace. It's more commoditised and margins are very low," says Taurani.

"Most new-age companies are venture funded and asset light. There is not much interest payment or depreciation. Nykaa, in contrast, runs an efficient shop with fewer stock-keeping units (SKUs), which have led to quicker profitability," says Suman Bannerjee, chief investment officer, US-based investment firm Hedonova.



MAKING A MARK

What has worked for new-age companies?

Aggressive expansion

Heavy investments in technology

Foray into new segments

Innovative offers

WHAT THEY DID RIGHT



BigBasket's new lines of businesses such as BB Now (q-commerce arm), BB Daily (micro delivery service for milk subscription) and BB Instant (grocery vending machine business) are emerging as game-changers.



Led by increase in merchant subscription revenues and growth in loans distributed through its platform, **Paytm** has emerged as the market leader in in-store payments (mobile payment, QR code, Soundbox).



Zomato's journey to profitability has been marked by strategic shifts, including its quick-commerce business Blinkit, which added ₹803 crore to Zomato's operating revenue in FY23.



Nykaa has a strong online presence in the BPC (beauty and personal care) market and a variety of premium customers; its average order value is three times the industry average.



RattanIndia Enterprises' diverse portfolio has added to the company's profitability (such as Cocoblu in e-commerce; Revolt as an EV brand; fintech arm WeFin etc).

BUT THEN, THE CHALLENGES

Massive marketing/advertising budgets

High customer acquisition cost

Balance sheets are under stress

25%

YoY RISE IN NYKAA'S GMV IN Q2FY24

Innovation is key for these companies. RattanIndia Enterprises (REL), which primarily operates in renewable energy and electric mobility sectors, has a diverse portfolio — Cocoblu Retail which operates as an online seller, helping brands scale up and sell on e-commerce platforms; Revolt Motors, a next-gen mobility company, which manufactures EV motorcycles in India; fintech arm WeFin, which provides instant hassle-free financial products to customers across the country, and NeoSky India, which has a 360° drone-as-a-product and drone-as-a-services portfolio. Throttle Aerospace Systems, one of India's leading drone companies, is a subsidiary of NeoSky India. REL reported revenues of ₹1,618 crore in Q2FY24, and profit after tax of ₹141 crore. For the last fiscal (FY23), the company's total income rose



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Tata Group-acquired BigBasket’s core business, online food and grocery store, boasts of more than 1 lakh products. BB Now — the q-commerce arm — BB Daily — micro delivery service for milk subscription and BB Instant — grocery vending machine business — are the company’s new lines of business. While BB Now has 3,000-4,000 products, BB Daily has nearly 4,000.

“As standalone businesses they may not be there yet, but the core business, BigBasket.com, which is two-three hours delivery and 1 lakh products, is already profitable,” says

For the last 4-6 quarters, new-age companies are focusing on profitability, unlike earlier when they stressed only on growth.

Abhinay Choudhari, co-founder of BigBasket, who left the company in 2021 to pursue his entrepreneurial venture.

Choudhari believes online grocery is only 1.5% of the country’s overall grocery market and there is huge room for BigBasket to grow. Although the company has a hold on early adopters who love the convenience of online shopping, Choudhari points to the company’s challenge in roping in people who are still doing it the old way. Though BigBasket has started experimenting with offline stores for better experience, currently it has a very small fraction of the market. “So, there is still headroom there to grow,” he adds.

What’s working for these companies is India’s aspirational 1.4 billion population, whose propensity for online spending has attracted global companies and digital platforms alike. “We see these companies around us all the time. They have become a part of daily life. People tend to invest in what they are familiar with,” says Bannerjee.

But, familiarity could also lead to a sense of false confidence for many. “Very few companies become household names without incurring massive advertising costs,” adds Bannerjee. Incidentally, new-age companies spend most of their funds on ads, which increases customer acquisition cost and ultimately leads to unprofitability.

Regardless of the threats, most of these companies are on high growth path. Experts say most of them were focusing only on growth earlier, even at the cost of profitability. But now, in the last four-six quarters, they are trying to focus on profitability as well, which is a positive turnaround.

“One good turnaround for all these new-age companies is that they are trying to build levers for profitability. A growth rate of 20-30% is a good enough number because in terms of penetration, the industry stands at a respectable level now compared with what it was three-four years ago in pre-Covid times,” says Taurani.

Meanwhile, Bannerjee is of the opinion that people have become accustomed to paying for convenience, and it’s hard to imagine life without the comfort that these new-age companies have introduced us to. “They’ll chug along, reaching razor-thin profitability, and fluctuating in and out of profitability in the foreseeable future,” he sums up. ■